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TAGS: [MARR](#) [MASS](#) [PARM](#) [VE](#) [PREL](#) [OTRA](#) [IT](#)

SUBJECT: ITALY DISCUSSING TIGHTENING OF VENEZUELA ARMS SALES

REF: A. STATE 155336

[1](#)B. ROME 2032

Classified By: Acting Political Minister Counselor Jonathan R. Cohen for reasons 1.4 (b) and (d).

[1](#)1. (C) Summary. Poloff met with Francesco Talo, MFA South America Office Director, and Paolo Campanini, South America Office, September 21 to inform Italy of the U.S. arms transfer policy to Venezuela, per Ref A, urging Italy to adopt similar measures. Talo noted that arms sales to Venezuela were the subject of internal GOI discussions, that Italy was in close consultation with the United States on this subject, and that the already-restrictive Italian arms transfer policy would be tightened further. Finmeccanica effectively represented one hundred percent of the Italian industrial audience with regard to these measures, according to Talo. Laura Aghilarre from the MFA's Non-Proliferation Office echoed Talo's comments and said the GOI may use the legal basis that blocks transfers to North Korea to accomplish the same with Venezuela. End Summary.

[1](#)2. (C) Arms sales to Venezuela had been a subject of intense internal discussion in Italy, according to Talo. He noted that the GOI was taking a closer look at small arms because of their potential to destabilize the balance of power, the possibility they could be diverted to Colombia, and their role in facilitating criminal activity. While a large increase in the number of small arms could present a serious problem, Talo reported that the Italian Ambassador in Caracas, in consultation with EU and G8 countries, had gotten the sense there was no real danger of a serious weapons imbalance in the region. However, Talo noted, the current trend was disturbing.

[1](#)3. (C) The GOI had also held confidential discussions with industry representatives, most importantly with Finmeccanica, according to Talo. Finmeccanica, he said, effectively amounted to one hundred percent of the current and future audience on this issue. Talo reported that Finmeccanica had told the MFA confidentially they had revised their internal code of conduct to an even higher standard than the GOI's. For Finmeccanica, the issue came down to economics, Talo said, with lucrative aircraft deals with the United States--which the Italian company did not want to jeopardize--hanging in the balance. (Note: Finmeccanica recently decided against selling naval guns to Venezuela for patrol vessels after consulting with the Embassy, as reported in Ref B. End note.)

[1](#)4. (C) Although Italian companies had not been feeling a lot of pressure from Venezuela, Talo speculated that Caracas might become more demanding, especially in cases where a deal had already been concluded. While Talo was not aware of any

recent Italian arms activity with Venezuela, he stressed that the GOI was studying the situation with a lot of concern, and would consider the points in Ref A.

15. (C) On September 27, Poloff delivered Ref A demarche to Laura Aghilarre, MFA Non-Proliferation Office. She underscored that Italy would not authorize the sale of US-origin parts to Venezuela as a matter of course and that bilateral business with Venezuela is already extremely limited. Aghilarre said that the GOI would nevertheless take a harder look at ways to block future military transactions with Venezuela. She speculated that the GOI could borrow legal language from the ban on military transfers to North Korea to stop similar transactions with Venezuela. She requested (and Poloff subsequently furnished) more information on the legal authority for US sanctions on Venezuela.
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